



Public Hearing: Full Proposal for SPA 2027-2031

Questions and responses

21 organisations including consortia have sent hearing responses to the public hearing of the full proposal for SPA 2027-2031.

Questions/suggestions listed below have been anonymised and grouped according to specific parts of the application material and underlying themes in order not to duplicate responses. Where relevant, the Information Note, Application Form and Annexes as well as Administrative Guidelines have been updated to reflect the adjustments.

Question/suggestion	MFA Response
Information note	
2. Approaches	
2.1 Local Leadership and Danish Added Value	
1. Local Leadership and Danish Added Value Danish partners should demonstrate “correspondence between national work in Denmark and the international engagement” and report on this annually. If a partner does not do national work in Denmark, other than Information and Public Engagement activities, how should this be understood?	Response/Changes to application material 1. It is the responsibility of the applicant to describe this and may cover any national work. If this element is not applicable, the applicant is expected to describe why.
2. Local Leadership and Danish Added Value On the definition of local partners, different actors are mentioned,	Response/Changes to application material

<p>one of which is “local private sector”. Request to clarify what this encompasses, including if it includes private businesses / companies, which are profit-making as per mandate. Would all the local leadership requirements listed in box 4 of the info note be applicable to profit-making entities?</p>	<p>2. Local private sector includes various actors also beyond private businesses/companies. The Local Leadership requirements in Box 4 apply to non-profit local actors only. Where there is uncertainty as to whether a partner meets the definition, clarification should be sought from the MFA.</p>
<p>3. Local Leadership and Danish Added Value The definition of local partners covers “local private sector and social movements”. It is unclear whether this definition covers local financial institutions and local private enterprises. Suggest to include these local actors in the definition.</p>	<p>Response/changes to the application material 3. The remark is noted. The definition of local partners remains as is. The focus of the Local Leadership Strategy as well as the target for transfers to local partners applies to non-profit local actors only.</p>
<p>4: Local Leadership and Danish Added Value For organisations who already have a Local Leadership Strategy in place, it is requested that these will be accepted as long as they demonstrate clear links to the six core elements and requirements defined by MFA.</p>	<p>Response/changes to the application material 4. Organisations may submit their existing Local Leadership Strategy, provided that the strategy clearly demonstrates links to the six core elements and requirements outlined in the Information Note.</p>
<p>5. Local Leadership and Danish Added Value Is the Local Leadership Strategy to be shared by the whole consortium, or can it be owned by the lead applicant?</p>	<p>Response/changes to the application material 5. The Local Leadership Strategy covers the applicant. In case of consortium, it is hence the consortium as a whole.</p>
<p>6. Local Leadership and Danish Added Value For applicants already beyond this minimum level of 35% transfers to local actors, should the target for progression be set when submitting the full proposal or through consultation and approval by the MFA after the submission of the application (as stated in the footnote)</p>	<p>Response/changes to the application material 6. The proposal itself should present a suggested target by the applicant which will then afterwards be subject to discussion with and approval by the MFA. The wording in the specific section has been updated to clarify this point.</p>
<p>7. Local Leadership and Danish Added Value Is the 35 pct. of the grant flow directly to local actors by 2031 to be calculated for each organisation in a consortium or as an average across the consortium as a whole?</p>	<p>Response/changes to the application material 7. Consortium as a whole.</p>

<p>8: Local Leadership and Danish Added Value Is it correctly understood, that by 2031, a minimum of 35 pct. of the grant flow directly to local actors means that the 35% target is for the final year of the SPA period only?</p>	<p>Response/changes to the application material 8. Correct.</p>
<p>9. Local Leadership and Danish Added Value According to the guidelines, partners are considered “local partners” only if they demonstrate local leadership in the form of a local board and local management. In some countries (such as Ethiopia, Somalia, and Somaliland), establishing a local board is complex and a long-term process. As a result, even when a partner has de facto local leadership and autonomy, is rooted in local civil society, and collaborates with the Danish Strategic Partner on equal terms with other partners, it does not formally meet the MFA’s definition of a local partner. Will the MFA maintain this strict definition of a local partner in such contexts?</p> <p>If an international alliance partner does not live up to the definition of Local Partner under what category(ies) should cost of such organisations be included in Annex 2?</p> <p>It is mentioned that by 2031 a minimum of 35% of the grant must flow directly to local actors. How are Local Actors to be understood in this context? Does an alliance partner with de facto local leadership and autonomy rooted in local civil society that is not living up to the criteria defining a Local Partner qualify as a Local Actor?</p>	<p>Response/changes to the application material 9. The definition will remain as is. If there are specific contexts with substantial reasoning for diverting from elements of the definition, it should be presented to the MFA who will have to formally approve such exemption.</p> <p>It is possible and indeed expected to engage with other actors beyond the ones defined as ‘local partners’. Please refer to Annex 2E for specific cost categories.</p> <p>The description has been adjusted to specify, that it is 35 pct. of the funds for programme and project activities (PPA) that should flow directly to local partners. ‘Local partners’ refers to the definition of local partners described in the Information Note (unless otherwise approved by the MFA, see above).</p>
<p>10. Local Leadership and Danish Added Value The definition of “local partners” has been expanded to include state governments and their specialist service agencies, local government bodies as well as state auxiliaries. Recommend to clarify, that a genuine civil society organisation must constitute the core partner in any programme, and that government institutions may participate as partners but should not serve as sole or lead</p>	<p>Response/changes to the application material 10. The remark is noted. The definition will remain as is. It is for the applicant to decide a relevant partnership portfolio while adhering to the requirements in the Information Note and Administrative Guidelines.</p>

implementing partners. Such clarification would help safeguard the civil society anchoring of SPA-supported engagements.	
11. Local Leadership and Danish Added Value MFA should be aware of the adverse effects on Local Leadership from additional compliance requirements on SPA partners.	Response/changes to the application material 11. The remark is noted. Please share with the MFA the specific additional compliance requirements that causes these adverse effects.
12. Local Leadership and Danish Added Value Suggestion to include churches, think tanks, and educational institutions in the mention of Danish actors beyond traditional civil society.	Response/changes to the application material 12. The remark is noted. The description in the Information Note does not exclude these actors. The description will remain as is.
13. Local Leadership and Danish Added Value Suggestion to include religious institutions and faith-based organisations in the definition of local partners.	Response/changes to the application material 13. The remark is noted. The definition of local partners has been adjusted to include these. Further to this it has been added in Annex 2E, that interventions intended wholly or partly proselytizing or dissemination of partisan political messages are ineligible for support.
14. Local Leadership and Danish Added Value Recommendation that the application material clarifies the approach to up- and downstream risk sharing and practical modalities for joint risk management, in support of the stated localization vision.	Response/changes to the application material 14. Reference is made to the Administrative Guidelines for SPA 2027-2031. Continuous dialogue on the subject is expected throughout the SPA-period.
15. Local Leadership and Danish Added Value Can the 35% "direct funding" for local partners be satisfied in part through financial intermediation of private sector entities, such as through financial guarantees to local financial institutions?	Response/changes to the application material 15. No. Financial intermediation of private sector entities does not count towards the 35 pct.
16. Local Leadership and Danish Added Value Recommendation to clarify in the definition of local partners, that it explicitly covers private sector collaboration models, outsourcing	Response/changes to the application material 16. The remark is noted. The definition will remain as is. Local private sector includes various actors. Local Leadership

<p>arrangements, and cost shared interventions (box 3). Further to reflect the potential of private sector actors in the elements and requirements to the Local Leadership Strategies (box 4). Recommendation that local private sector partners be counted toward the 35% direct funding target by 2031 when they serve as direct implementing sector partners.</p>	<p>requirements as well as the target of 35 pct. of direct funding to local partners by 2031 apply to non-profit local actors and may include private sector actors as such.</p>
<p>17. Local Leadership and Danish Added Value It is recommended that minimum target should be equal to all. Requirement of increased transfer for organisations above target should be removed.</p>	<p>Response/changes to the application material 17. The remark is noted. The requirement remains as is. A minimum requirement is not equivalent to ambition. The SPA 2027-2031 is expected to lead progress on local leadership including transfers to local partners, why applicants with current transfer-levels above the minimum requirement should set a realistic and ambitious target in their proposal.</p>
<p>18. Local Leadership and Danish Added Value Suggest that the wording “grant flow” should be replaced with “flow for programme and project activities” to reflect the wording in Annex 2 &3.</p>	<p>Response/changes to the application material 18. The remark is noted. The material has been updated to clarify, that it is 35 pct. of funds for programme and project activities.</p>
<p>19. Local Leadership and Danish Added Value Recommend that the 35% transfer threshold from 2022-2024 is assessed at consortium level as it is the consortia as a whole that will be held accountable for this in the coming SPA period.</p>	<p>Response/changes to the application material 19. The threshold of 35% transfer to local partners across 2022-2024 has been calculated at applicant level (consortium as a whole or single applicants).</p>
<p>2.2 Information and Public Engagement</p>	
<p>1. Information and Public Engagement Request to clarify which activities count as people-to-people engagements within the 50% limit, and if this is measured annually?</p>	<p>Response/changes to the application material 1. The MFA expects applicants to describe these engagements as relevant for the proposed IPE activities. The costs are part of the annual reporting.</p>
<p>2. Information and Public Engagement MFA should ensure that visa procedures do not limit the involvement of Global South actors.</p>	<p>Response/changes to the application material 2. The remark is noted.</p>
<p>3. Information and Public Engagement What is expected/understood by peer to peer in IPE?</p>	<p>Response/changes to the application material</p>

	<p>3. The term is used as a general concept and could, for example, refer to groups from different countries that share a similar profession, hobby, etc.</p>
<p>2.3 Gearing of resources</p>	
<p>1. Gearing of Resources Does the MFA distinguish between blended finance (mobilization of additional resources as the purpose) and innovative finance (mobilization of additional resources as a possibility, with higher tolerance for failure and greater focus on learning)?</p>	<p>Response/changes to the application material 1. The MFA intentionally uses the phrase ‘innovative and blended finance’ as they are distinct terms. They are however also interlinked and may overlap. Applicants are expected to propose activities as part of their proposal and concept notes, that reflect what type of activity they plan to engage in as part of SPA3.</p>
<p>2. Gearing of Resources There is a focus on investment type instruments, and we suggest language to be more inclusive of other instruments such as transfer of risks and disaster risk finance.</p>	<p>Response/changes to the application material 2. Risk instruments are covered and applicants are welcome to propose these types of activities including in the creation of concept notes.</p>
<p>3. Gearing of Resources The texts include consistent reference to the importance of development outcomes. However, there is no mention of humanitarian outcomes. Suggest to include, these as they are relevant for e.g., application of disaster risk financing and insurance.</p>	<p>Response/changes to the application material 3. The suggestion is noted, and the wording has been adjusted where relevant.</p>
<p>4. Gearing of Resources Is 25% own financing throughout the partnership period at consortium or for the lead organization only?</p>	<p>Response/changes to the application material 4. The requirement applies to the consortium as a whole.</p>
<p>5. Gearing of Resources Suggestion to adjust the wording in section 2.3 in the information note and section 6.5 in the guidelines, so that own-financing activities may include other MFA grants obtained by the Strategic Partner in question.</p>	<p>Response/changes to the application material 5. MFA funding beyond the SPA-grant cannot be included as own financing activities, which was also the case in SPA2.</p>
<p>2.4 Cross-cutting programming approaches</p>	
<p>1. Cross-cutting approaches: The MFA state that while some strategic partners may have climate, nature and biodiversity as the main focus of their</p>	<p>Response/changes to the application material 1. The remark is noted. The applicants are expected to explain how approaches are considered and applied.</p>

<p>engagements, others may address it as a cross-cutting consideration, ensuring that activities do not harm the environment and that possible synergies and co-benefits with environment and climate goals are considered. Please clarify at what level activities are considered to cause, and the tolerance for, environmental harm? (e.g. carbon footprint of essential materials and humanitarian assistance, job creation in extractive industries, or income generation from consumer goods).</p>	
<p>2. Cross-cutting approaches: Request to ensure that the application material contains explicit elements on the extent and means to which SPA applications are to include persons with disabilities in e.g. analysis, targets and indicators, and how SPA-organisations are expected to collect data and follow up on to which extent persons with disabilities have been included in practice. Furthermore, recognizing that this is a new focus area for many Danish CSO's, encourage the MFA to apply a progressive approach, where demands and expectations regarding inclusion of persons with disabilities are increased throughout the SPA period concurrently with strengthening the capacity to do so within the SPA and their partner organisations.</p>	<p>Response/changes to the application material 2. The remark is noted. The expectations and requirements for applicants on the matter are described in the Information Note and in the SPA3 Administrative Guidelines (however with reporting requirements on the OECD DAC Disability policy marker TBD).</p>
<p>3. Cross-cutting approaches: Specific suggestions for adjustments in the Information note are: (suggested text in bold): Page 16, 2.2. 'Persons with disabilities': Suggest revised title: "Rights and meaningful inclusion of persons with disabilities". Suggested text adjustment: "... This entails focus on rights, empowerment, voice, and addressing the specific barriers challenges persons with disabilities face...". Challenges refer to personal experiences whereas barriers refer to obstacles created in the environment and society, including system design problems, exclusive policies, stigma, lack of accessibility etc. Suggested text supplement: "...Further, as part of a do-no-harm-approach, all engagements should ensure that they do not contribute to create, reinforce or perpetuate barriers to equal participation of persons with disabilities"</p>	<p>Response/changes to the application material 3. The remark is noted. The material has been adjusted where relevant.</p>

<p>4. Cross-cutting approaches: How are young people defined? Is there a particular age range?</p>	<p>Response/changes to the application material 4. The remark is noted. There is not one definition of young people, it will vary from context to context.</p>
<p>5. Cross-cutting approaches: Request for clarification on the expectations regarding deeper collaboration between specialised SPA partners in Denmark, including how such collaboration should be reflected in proposals and how it relates to the requirements concerning spending outside Denmark.</p>	<p>Response/changes to the application material 5. Reference is made to section 2.4 on Global and local connectedness and coordination.</p>
<p>6. Cross-cutting approaches: Re. Cross-cutting programming approaches under Gender equality, girls' and women's rights (Information Note, section 2.4, p. 16), regarding expectations on involvement of women led organisations and women's rights organisations (WLO/WRO), including if a SPA-funded programme must demonstrate a financial transfer to at least one women-led or women's rights organisation to be compliant.</p>	<p>Response/changes to the application material 6. The remark is noted. To clarify, the description has been updated to encourage collaboration with WLO/WROs 'where possible and relevant'. It is therefore not a requirement that a financial transfer per se should be made.</p>
<p>3. Thematic Priorities:</p>	
<p>3.1 Job creation, economic growth, trade and investment</p>	
<p>1. Job creation, economic growth, trade and investment: Suggestion to include additional point in section 3.1.: "Promoting economic development and labour market participation inclusive of persons with disabilities by removing physical, digital and attitudinal barriers; strengthening access to decent work, skills development, entrepreneurship, finance; supporting inclusive workplace practices and reasonable accommodation" and in section 3.3.: "...including persons with disabilities and social movements among others in climate, nature, and biodiversity related situations."</p>	<p>Response/changes to the application material 1. The remark is noted, and the material has been updated accordingly.</p>
<p>3.2 Response to conflict, forced displacement and irregular migration</p>	
<p>1. Response to conflict, forced displacement and irregular migration</p>	<p>Response/changes to the application material</p>

<p>It is encouraged that the MFA modifies the language in thematic priority 3.2 to ensure the relevance of longer-term approaches rather than just humanitarian engagements.</p>	<p>1. The remark is noted. Longer-term approaches are highly relevant and already included in the section. The description remains as is.</p>
<p>2. Response to conflict, forced displacement and irregular migration Technical terminology related to health: P. 20 of the Information Note currently reads: "...Providing essential services including (...) water, sanitation and health (WASH), SRH, and mental and psychosocial support (MHPSS) etc., ...". The technically correct terminology is "water, sanitation and hygiene (WASH)", SRHR, and "mental health and psychosocial support (MHPSS)".</p>	<p>Response/changes to the application material 2. The remark is noted. The material has been updated accordingly.</p>
<p>3.4 Democracy and human rights</p>	
<p>1. Democracy and human rights In line with Danish positions, safeguarding information integrity would be relevant to include along freedom of expression and access to information.</p>	<p>Response/changes to the application material 1. The remark is noted. The material has been updated accordingly.</p>
<p>2. Democracy and human rights Relevant to add specifically the role and importance of support to human rights defenders (such as mentioned in the second last bullet) in the HDP Nexus – to ensure access to knowledge and speech of the marginalised groups and accountability on part of national and international duty bearers.</p>	<p>Response/changes to the application material 2. The remark is noted. Support to and protection of human rights defenders is already included. The description will remain as is.</p>
<p>3.5 Education and Health</p>	
<p>1. Education and Health Clarifying the use of "equality" versus "equity" within a health technical frame. While the MFA describes approaches that align with the term equity, the text consistently uses the term equality, which may not fully reflect the intended meaning.</p>	<p>Response/changes to the application material 1. The remark is noted. The material has been updated accordingly.</p>
<p>2. Education and Health Recommendation to emphasise local leadership and strengthening local systems by rephrasing the formulation on p. 26 of the Information Note to: "Supporting sustainable, scalable, and systemic health interventions. To the extent possible, they are</p>	<p>Response/changes to the application material 2. The remark is noted. The material has been updated accordingly.</p>

carried out through and by strengthening national health authorities and local partners' health systems and services without building parallel structures “.	
3. Education and Health P. 26 of the Information Note currently reads: “Strengthening combat of infectious diseases and chronic diseases...”. With reference to the internationally recognised and commonly used terminology by World Health Organization, the recommended phrasing would be: “prevention and control of communicable and noncommunicable diseases (NCD)”.	Response/changes to the application material 3. The remark is noted. The material has been updated accordingly.
4. Education and Health Suggest that community-based and participatory approaches to mental wellbeing and resilience could be more explicitly reflected among these examples.	Response/changes to the application material 4. The remark is noted. The material has been updated accordingly.
4. Geographical focus and requirements	
1. Geographical focus and requirements The fragility focus “has been removed”. Kindly clarify if alignment to the geographical focus beyond the min. 50% will have a positive influence on the scoring of an application?	Response/changes to the application material 1. The minimum requirement of 50 pct. engagement in the prioritised geographies is a compliance matter. Partners are more than welcome to propose a stronger presence, but it will not influence the score.
6. Budget frames for the Strategic Partnerships 2027-2031	
1. Budget frames Can partners assume that assigned frame will permit them to apply for approx. 100% above SPA II-level?	Response/changes to the application material 1. No. Reference is made to the description of budget frames in the Information Note.
2. Budget frames Suggest that the threshold/frame for consortiums consider the numbers of consortium partners and their existing budgets as reported in EoI.	Response/changes to the application material 2. The remark is noted. Figures used for calculating the average of a development and/or humanitarian budget for the period 2022-2024 is based on data provided in the prequalification and covers the applicant, and in case of consortia the consortium as a whole.
3. Budget frames Recommendation that the total grant frame for SPA 2027-2031 will accommodate inflation rates.	Response/changes to the application material 3. The total grant frame for SPA 2027-2031 will be announced with the Finance Act for 2027

<p>4. Budget frames In the information note p. 29 it is stated that “each prequalified applicant will be informed directly of which budget frame, they are invited to apply within.” We encourage that the individual budget frames described in the same chapter – allowing applicants to apply for a minimum of their current SPA 2022–2026 level and up to approximately 100% above – be applied when determining the band within which applicants are invited to apply, ensuring that placement reflects their current agreement level and allows for continuation and potential scale-up.</p>	<p>Response/changes to the application material 4. The remark is noted. The principles for calculating budget frames are described in the Information Note. Budget frames will be shared with each applicant individually when they receive the invitation to apply for the full proposal.</p>
<p>5. Budget frames Budget frames may cause unequal treatment. The current approach may disadvantage organisations positioned at the relative top of a budget frame, limiting their potential for growth as opposed to other organisations. Recommendation: Set individual budget frames for each SPA partner based on the criteria already outlined in the call.</p>	<p>Response/changes to the application material 5. The remark is noted. The budget frames will remain unchanged.</p>
<p>General comments</p>	
<p>1. Removal of Global Entities The possibility of applying for Global Entities is not part of SPA 2027-2031. This raises concern as they are seen as a highly valuable opportunity to promote Danish competencies globally. Request for a reintroduction.</p>	<p>Response/changes to the application material 1. The remark is noted. The material will remain as is. The MFA acknowledges the relevance of the current Global Entities and applicants may include these focus areas in their proposals as relevant within the general framework and requirements of SPA 2027-2031</p>
<p>Annex 1 – Application Form</p>	
<p>1. Local leadership and Danish added value: Please confirm if partners need to attach our organisational Local Leadership Strategy in full, or if we should only attach a new five page document which illustrates how our Local Leadership Strategy connects to the six elements described in the Information Note?</p>	<p>Response/changes to the application material 1. Organisations may submit their existing Local Leadership Strategy, provided that the strategy clearly demonstrates links to the six core elements and requirements outlined in the Information Note. The material has been updated accordingly.</p>

<p>2. Local leadership and Danish added value: In the application form it is stated in 2.1.1 that the application should “describe the added value of the Danish strategic partner vis-à-vis other partners – local, national, Danish and international”. We understand this as a description of the organisation’s added value to Danish and international partners as well as local partners and suggest dividing them into two different chapters so local leadership is not conflated with national (DK) and global engagement.</p>	<p>Response/changes to the application material 2. The remark is noted. The material will remain as is.</p>
<p>3. Information and Public Engagement: Should IPE engagements be reflected in the Overall TOC illustration?</p>	<p>Response/changes to the application material 3. It is not required (but up to the applicant to decide if relevant to include) that IPE is reflected in the overall ToC illustration. It is however required, that IPE is reflected in Summary Results Framework.</p>
<p>4. Gearing of Resources It is recommended that detailed concept notes are not required at the first phase submission stage or that concept notes may be overall with the possibility to adjust in the next phase alongside country-level Theories of Change (ToCs). Further it is suggested, that concept notes can be developed during the SPA partnership period when new initiatives are launched or when capacity has been further developed by partners.</p>	<p>Response/changes to the application material 4. The remark is noted. The material has been revised. It will be possible to submit a preliminary concept note. The concept note may 1) take shape as a preliminary concept note, covering broad and early considerations as well as 2) cover only a subset of the requirements set out in the SPA3 guidelines section 11.3. This approach entails the applicant submitting a developed/finalized concept note at a later stage, where the MFA will be able to provide a final approval.</p> <p>Concept notes may also be submitted during the partnership period if new initiatives are planned and/or capacity requirements have been developed. These will be subject to MFA assessment and approval.</p>
<p>5. Gearing of Resources Section 2.3 is limited to one page, irrespective of whether an organization includes innovative/blended finance or not. To give adequate space for consideration, it is requested that an additional half page (total 1½ pages) is allowed in section 2.3 for applicants engaging in blended and innovative finance.</p>	<p>Response/changes to the application material 5. The one-page limit for this section will remain as is, since elaboration is also possible under concept notes and thematic priorities.</p>

<p>6. Gearing of resources: A risk that the rules and requirements on innovative and blended finance described in the SPA guidelines and the application material will discourage organisations from mobilising private finance. The reason is two-fold: (1) Grant-based activities within innovative and blended finance, which are widely used, will require much effort to maintain as innovative and blended finance is only part of 2.3.3. Consequently, organisations wanting to mobilize private impact investments by “engaging in innovative and blended financing” even using grants, are required to submit “a relevant and qualified concept note on innovative and blended finance”, and comply with the criteria as incubator, something which few organisations do. (2) Even when a concept note is submitted, it only improves the score if it is rated higher than core criteria 2.3.2. This split in scoring is rarely advantageous, making the incentive limited. Recommendation: Allow organisations to mobilise private capital with grants without the need for a separate concept note or a high level of specialised financial and legal capacity requirements. Reserve these requirements for non-grant financial instruments. Include it in an overall criterion for financial mobilisation, but do not make the requirements compulsory for the criteria. Assign a fixed weight to the criteria, making all organisations reflect on how they catalyse private capital.</p>	<p>Response/changes to the application material 6. The remark is noted. It falls upon the applicant to decide, if relevant to engage in these activities. The criteria will remain as is, however with the possibility to submit an overall concept note at this stage.</p>
<p>7. Cross-cutting programming approaches: The sentence reads: “Please describe approach, commitment and ambition in the Strategic Partnership in the cross-cutting priorities”. How does the MFA distinguish between commitment and ambition?</p>	<p>Response/changes to the application material 7. Commitment has been removed, so the text only includes approach and ambition.</p>
<p>8. Cross-cutting programming approaches: Eight cross-cutting subjects are requested to be described on three pages only. To allow for appropriate elaborations, can partners refer to - and will it be taken into consideration - relevant text in the EoI, e.g. on approach to HRBA?</p>	<p>Response/changes to the application material 8. It will not be possible to make references to the prequalification application. Only the application form and requested material will be assessed for the full proposal.</p>

<p>9. Cross-cutting programming approaches: Suggest that the direct requirement of “working with women-led organisations and women’s rights organisations”, set out in section 2.4.3 in the application form and section 2.4 in the guidelines, is supplemented by the wording “where possible and relevant”.</p>	<p>Response/changes to the application material 9. The remark is noted. The material has been updated accordingly.</p>
<p>10. Cross-cutting programming approaches: Please clarify if applicants are required to apply all of the approaches or only those reflecting our own “mandate, vision, goals, strategies and specific core competencies”? A more flexible approach is proposed by adding ‘where relevant’.</p>	<p>Response/changes to the application material 10. Cross-cutting approaches are relevant for all Strategic Partnerships, however with varying focus. With reference to the specific description in the Information Note, applicants should describe in the proposal how all cross-cutting approaches are considered and applied in their programming. If a cross-cutting approach is not considered relevant to apply, the applicant should argue why not.</p>
<p>11. Thematic Priorities: The requirements for the number of thematic priorities that must be covered by Strategic Partners, and the scoring thereof (60% weight with only 2 sub-criteria), should be clarified. It is currently not clear how the MFA’s invitation for Strategic Partners to ‘do what they’re best at’ is considered. Evaluation criteria should fully reflect strategic potential of partnership and it is recommended that the evaluation criteria clearly reflect the possibility to receive a high score without contributing to several or all of the thematic priorities.</p>	<p>Response/changes to the application material 11. Applicants are expected to develop their proposal against one or more of the thematic priorities. This has been clarified in the application material. Applicants will not be rewarded for applying for more thematic priorities. It will be equally possible to receive a high score without contributing to several or all of the thematic priorities.</p>
<p>12. Thematic Priorities: Uneven explanation of criteria content. The requirements and method for scoring of “Thematic priorities” is described only in very broad terms and where the two sub-criteria 3.1 and 3.2 accounts for 30% of the overall assessment each. A broad and unclear description makes it difficult to focus the description. Recommendation: Expand the explanation, description of requirements, and method for scoring of Thematic Priorities.</p>	<p>Response/changes to the application material 12. The remark is noted. The criteria 3.1 and 3.2 will remain as they are. The section is deliberately worded as broad and encompassing in order to allow for the diversity of applicants and the nature for their programmes to be reflected in the section.</p>

<p>13. Thematic Priorities: The emphasis on a clear results framework (RF) with annual targets is welcomed. However, to ensure these targets are grounded in partner informed analysis, intervention logic, and contextual assessments, we recommend that a detailed RF—including annual targets—is submitted only after the full programme design has been completed in collaboration with local partners and stakeholders. Submitting annual targets prematurely would limit their usefulness for planning, monitoring, and accountability.</p>	<p>Response/changes to the application material 13. The remark is noted. The MFA fully acknowledges and expects that targets and budgets will be adjusted following programme design and consultations with partners. Targets may be indicative at the proposal stage. The criteria will remain as is. Annex 1 and Administrative Guidelines now clarify that updates on Summary Budget and Summary Results Framework are expected when also submitting detailed ToCs.</p>
<p>14. Thematic Priorities: In the application form p. 2 (Introduction) it is stated: “The proposal shall include a number of recent cases to illustrate the track record of the applicant within the five thematic priorities of the Strategy.[.]” However, at p. 11 in the application form, it says: “Refer to at least 3 cases showing relevant track record across the proposed programme engagement” Please clarify if cases need to cover all of the five thematic areas or only those that the application will cover.</p>	<p>Response/changes to the application material 14. The remark is noted. It is the intention that applicants should only deliver cases on the thematic areas they wish to engage in. The material has been updated to clarify this.</p>
<p>15. Thematic Priorities: Please confirm whether the result framework can cover the entire programme or the Strategic Partnership only.</p>	<p>Response/changes to the application material 15. The Summary Results Framework is only for the Strategic Partnership.</p>
<p>16. Thematic Priorities: Are IPE targets included in the 4-page limit to the result framework?</p>	<p>Response/changes to the application material 16. Yes.</p>
<p>17. Thematic Priorities: It is required to include “...a brief description of country/regional engagements with overall thematic focus areas and partners.” Could it be considered to move this to an annex, considering strategic partners who operate in 20 or more countries?</p>	<p>Response/changes to the application material 17. The remark is noted, but the format will remain as is.</p>

Annex 1A – Preparation of Cases	
<p>1. The application material is unclear about the requirements for cases. In some places the instructions are that cases should illustrate the track record “within the five thematic priorities” and in other places the instruction is that cases should show relevant track record “across the proposed programme engagement” (one or more of the five thematic priorities). Please clarify and align instructions.</p>	<p>Response/changes to the application material</p> <p>1. The cases should illustrate the track record within the thematic priorities that the applicant proposes engagements within. The description in Annex 1A has been updated accordingly.</p>
<p>2. In the guidelines for preparing of cases it says that cases should be selected from applicant’s own portfolio, however if the applicant is a member of an alliance/federation, “the added value in this aspect should be reflected as well”. Please clarify if this means that the cases should illustrate the applicant’s own experience/added value into the alliance, or if the alliance’s added value into the case should be included in the description?</p>	<p>Response/changes to the application material</p> <p>2. All cases are expected to be clear on the added value of the applicant. If the applicant is part of an international alliance/federation, cases should further reflect the added value of the applicant within the alliance/federation relevant for the case.</p>
Annex 1B – Assessment and Scoring	
<p>1. Overall: Page 1, first line after table: “...each of the seven criteria listed below”. Should logically read”....each of the six criteria listed below.</p>	<p>Response/changes to the application material</p> <p>1. This is noted. The material has been updated accordingly.</p>
<p>2. Local leadership and Danish added Value: Requests MFA confirmation that the note under assessment criterion 2.1.1 means that the applicants are not expected to have had full consultations with partners during this application process.</p>	<p>Response/changes to the application material</p> <p>2. This is confirmed. The applicants are expected to describe the planned process of developing country/regional/thematic engagements in collaboration with partners as part of SPA 2027-2031, including how local partners will be involved in the process.</p>
<p>3. Cross-cutting programming approaches: Suggest the criteria on cross-cutting approaches are weighed based on ability to deliver on ‘relevant’ approaches in line with the</p>	<p>Response/changes to the application material</p> <p>3. Cross-cutting approaches are relevant for all Strategic Partnerships, however with varying focus. With reference to the</p>

<p>applicant’s expertise and program focus, rather than 10% for each individual approach. Requiring all partners to work dedicated with all 8 cross-cutting approaches entails a risk of pushing overlap rather than complementarity and could compromise the ability of partners to maximise impact based on their expertise and value-add. It is further unclear how, e.g. nexus programming (relevant for all) compares to working with people with disabilities (niche for some) and why those should be assigned a similar weight.</p>	<p>description in the Information Note, applicants should describe in the proposal how all cross-cutting approaches are considered and applied in their programming. If a cross-cutting approach is not considered relevant to apply, the applicant should argue why not.</p>
<p>4. Cross-cutting programming approaches: The weight on cross-cutting programmatic approaches seems disproportionately low. In section 2.4, applicants are required to outline their approach, commitment, and ambition across eight cross-cutting programming approaches within a maximum of three pages. Despite the breadth of these approaches, most account for less than 1% of the overall scoring. Recommendation: Raise the scoring proportion for cross-cutting approaches to better reflect their strategic value.</p>	<p>Response/changes to the application material 4. The remark is noted. The scoring weight will remain as is.</p>
<p>5. Cross-cutting programming approaches: Basis for assessment of applicants’ capacity, ‘consideration and application’ of the cross-cutting programming approaches is very limited with only three pages available to describe eight approaches in the Application Form, the only basis for assessment (Annex 1b Assessment and Scoring 2.4). Propose that additional documentation such as the Danida Capacity Review or similar organizational review is used as basis for the assessment.</p>	<p>Response/changes to the application material 5. The remark is noted. The basis for scoring remains as is. Reviews were considered in the prequalification application where applicants’ overall programmatic capacity was also assessed.</p>
<p>6. Thematic priorities: Request confirmation of the information shared at the meeting on 6 February: that applications will not score higher if contributing to more or all thematic priorities.</p>	<p>Response/changes to the application material 6. The remark is noted. Applicants will not be scored based on the number of thematic priorities they cover, but on the relevance and quality of their proposed programme engagement.</p>
<p>7. Thematic priorities: The absence of multiple sub criteria for 3.1. and 3.2 – which together constitute 60% of the total score – significantly reduces transparency and traceability of the assessment. This lack of granularity reduces clarity around which factors that drive scoring</p>	<p>Response/changes to the application material 7. The remark is noted. The section is intended to allow for the diversity of applicants and the nature of their programmes to be reflected in the section. The criteria still reflect the different</p>

during proposal preparation, during assessment and after initial assessment.	dimensions that will be assessed across proposals, despite the fact that they are not divided into specific sub-criteria.
<p>8. Thematic priorities: Information Note states the SPA 2027-2031 will be guided by the strategic partners' own mandates and core competencies, and how these contribute towards Danish development objectives. It is further mentioned that the relative weight given to thematic priorities may vary between partners - SPA partners should do what they are best at. However, the application format and assessment note currently lack explicit detail on how applications will be evaluated against each of the five thematic priorities.</p>	<p>Response/changes to the application material 8. The remark is noted. Applicants are expected to develop their proposal against one or more thematic priorities. This will be clarified in the application material. Applicants will not be rewarded for applying for more thematic priorities. It will be equally possible to receive a high score without contributing to several or all of the thematic priorities.</p>
<p>9. Thematic priorities: Is the summary results framework due in Round 1, prior to detailed programming, to include both indicators and targets? Indicators only are preferred. Targets should be added only during detailed programming, Round 2.</p>	<p>Response/changes to the application material 9. The remark is noted. Summary Results Frameworks are to be submitted with the proposal. The MFA fully acknowledges and expects that targets and budgets will be adjusted following programme design and consultations with partners. Targets may be indicative at the proposal stage. Guidelines clarify that updates towards the Summary Budget and Summary Results Framework are expected when also submitting detailed ToCs.</p>
<p>10. Thematic Priorities: It is suggested that the basis of assessment for section 3.1 include reference to the Summary Results Framework and the Cases, rather than listing these under section 3.2.</p>	<p>Response/changes to the application material 10. The remark is noted. The requirement to document track record has now been moved to 3.2 to link with the submitted cases. The Summary Results Framework and Summary Budget have been included as a requirement for 3.1 as a basis for assessment as well.</p>
Annex 2 – Budget Summary	
<p>1. Budget Summary The MFA requests applicants to submit and attach budget details as per Annex 2. As a consortium, should individual Annex 2 for each partner and a consolidated Annex 2 be submitted, or will the MFA only look at a consolidated Annex 2 for the consortium level?</p>	<p>Response/changes to the application material 1. Consortium as a whole. Applicants are either individual organisations or consortia. Summary Budgets should cover the applicant – whether it is a single applicant or a consortium as a whole.</p>

<p>2. Budget Summary Is it allowed in the application to present the budget at the country level, mentioning a few specific countries in a region, with details on these budgets and also allocate a lump-sum budget under Regional for other countries to be decided once the actual financial framework is confirmed?</p>	<p>Response/changes to the application material 2. Regional activities should be regional in scope and purpose with a relevant regional ToC (to be submitted later). Otherwise, it should be country engagements and budgeted as such. The MFA does not consider a collection of country engagements as a 'regional activity' and the budget line for regional activities cannot be considered as a lump-sum budget line. It is however expected, that budgets will be adjusted based on the detailed programming and consultation phase with local partners and submitted with an updated result framework and ToCs in the fall. Further, there is flexibility in the 30% unallocated funds in the budget as well, which may be allocated at a later stage.</p>
<p>3. Budget Summary It is requested that a budget guidance note is included in the application materials.</p>	<p>Response/changes to the application material 3. The remark is noted. A guidance note will not be provided. For concrete questions please reach out to the MFA.</p>
<p>4. Budget Summary It is unclear how global programmes should be reflected in the budget format, which currently only includes 'country' and 'regional' categories.</p>	<p>Response/changes to the application material 4. Please add as relevant under 'other regions' in Annex 2.</p>
<p>Guidelines</p>	
<p>3. Obligations of the strategic partner</p>	
<p>1. Anti-corruption, PSEAH, Child Protection and Restrictive Measures (sanctions) and Anti-Terrorism provisions Re 3.1 Anticorruption, PSEAH, Child Protection and Restrictive Measures (sanctions) and Anti-Terrorism provisions. Please consider that it is against the principles of donor harmonisation to insist on donor-specific mandatory formulations (para 4-7) to go into our partner contracts. This adds complexity to our local partners, especially if all donors do the same. It is recommended that Danida states the criteria that should be met, without demanding concrete formulations.</p>	<p>Response/changes to the application material 1. These provisions are the same as in the SPA2 guidelines. They follow MFA standard provisions and will remain as they are.</p>

<p>2. CHS The CHS requirement does not correspond to the wording in the Prequalification material. We would like to see confirmation that the following option is still valid for SPA 2027-2031: “Being verified or certified against CHS as part of a federation/alliance, where the Danish organisation’s humanitarian funding received from MFA, is covered in the CHS audit scope.”</p>	<p>Response/changes to the application material 2. This is noted and the guidelines have been adjusted accordingly.</p>
<p>4. Reporting requirements and strategic dialogue</p>	
<p>1. Audited accounts First, the audit requirements mandating financial, performance, and compliance audits conducted locally by chartered accountants may not be proportional in all contexts and may not represent value for money. Danida already applies a tiered model under Puljer & Netværk with different assurance expectations below DKK 500K and 100K. We therefore encourage MFA to allow similar flexibility in the SPA 2027–31 guidelines for smaller transfers to partners outside Denmark, using these thresholds to balance accountability with effectiveness and avoid diverting scarce local resources from programmatic work. Our experience shows that strong oversight can be achieved through differentiated and risk-based approaches grounded in long term partnerships and mutual accountability. While we support the continued emphasis on localisation, uniform audit demands across all partner transfers risk making small grants disproportionately costly to administer and may unintentionally favour larger, more established partners.</p>	<p>Response/changes to the application material 1. The remark is noted. The current SPA guidelines allow for a degree of flexibility, please see a more detailed response below this hearing matrix on the final page.</p>
<p>2. Audited accounts We increasingly work with pooled funding mechanisms. However, the current requirement to conduct performance and compliance audits for all grants, regardless of their size, represents a significant operational obstacle. We therefore strongly recommend aligning audit requirements with internationally recognised standards and applying a proportionate approach based on the size and risk level of the grant. In addition, the lack of mutual recognition of audit standards means that our country offices must undergo two</p>	<p>Response/changes to the application material 2. The audit standards required by the MFA for activities outside of Denmark are: <ul style="list-style-type: none"> a. ISA 600 for the financial audit b. The principles of ISSAI 3000 for the performance audit c. The principles of ISSAI 4000 for the compliance audit These standards apply first and foremost to the SPA partner, where the SPA auditor assigned by the SPA partner shall provide an opinion on the three parts of the overall audit. These standards are</p>

<p>separate statutory audits, as UK audit rules are not accepted by the DK MFA. This creates unnecessary administrative burden and additional costs. We therefore reiterate our recommendation that audit requirements adhere to a globally recognised standard.</p>	<p>internationally recognized, also by the UK, under IAASB. ISA (UK) 600 (Revised) and the international ISA 600 (Revised) both introduce a proactive, risk-based approach to group audits, effective for periods on or after December 15, 2023. While based on the same, both emphasize tighter oversight of component auditors, improved two-way communication, and stricter documentation, ISA (UK) 600 includes specific additions tailored to UK regulations regarding access to working papers, supervision, and enforcement.</p>
<p>3. Audit requirements It appears that tightened audit requirements, will increase costs and in practice impede some of the partnerships that the MFA wish to encourage (ambitions on local leadership and supporting “new and emerging civil society actors”).</p>	<p>Response/changes to the application material 3. The audit requirements have not been tightened. §3 of the audit instructions states that: “The scope of the audit depends on the Strategic Partner’s structure and practices...” The SPA auditor shall provide an opinion on the financial, performance and compliance audit; the audit tasks towards this objective, follows an agreement between the SPA partner and the auditor. Such an agreement will be a result of the SPA auditor weighing materiality and risk. §4 (2) Requires that the SPA auditor examines whether the local financial statements have been audited according to recognized international standards, and include elements of performance and compliance audit. The boxes provide examples of potential audit tasks for the financial, performance and compliance audit: “Procedures to be performed...could include: ...”.</p>
<p>5. Reviews and financial monitoring visits</p>	
<p>1. Reviews It is appreciated that “CHS audit may be used to substitute relevant parts of a strategic partner review”. It is suggested that “CHS audit will be used to substitute relevant parts of a strategic partner review”.</p>	<p>Response/changes to the application material 1. The remark is noted. The formulation will remain as is.</p>
<p>6. Administration of the budget</p>	

6.1 Administration fee	
<p>1. Administration fee Section 6.1 in the guidelines requires local partners to record administration fees as income in the consolidated accounts. We are concerned that this in some cases conflicts with national accounting rules and organisational structures. Accounting classifications are regulated by national legislation and local authorities, and it may not be possible or appropriate to require a specific accounting treatment in local statutory accounts. We recommend to rephrase the requirement to say that Strategic Partners must document that the administration fee has been transferred and used in line with the partnership agreement, without prescribing how it must appear in the partner’s consolidated accounts.</p>	<p>Response/changes to the application material 1. The remark is noted. The guidelines remain as they are. Organisations are encouraged to contact HUMCIV if requirements cannot be met.</p>
6.4 Additional funding	
<p>1. Top-ups In the guidelines on p. 26 regarding Top-ups. It states: ‘‘Invitation to apply for a top-up may be directed to all strategic partners or a selected group, based on a pre-screening of current activities and geographical presence (TBD).’’ More transparency around what the pre-screening and Top-up process in general would be appreciated.</p>	<p>Response/changes to the application material 1. The remark is noted. This section in the guidelines is to be developed and partners will be informed at a later stage.</p>
<p>2. Top-ups It is recommended expanding the geographical scope of the top-up mechanism beyond the SPA to include additional MFA funding streams.</p>	<p>Response/changes to the application material 2. The remark is noted. This will be taken into consideration as part of the further development of the top-up mechanism for SPA3.</p>
<p>3. Additional funding Will it be a requirement that strategic partners include Ukraine in their SPA 2027–2031 from the outset—or can it be added later—to be eligible for MFA funding under the Ukraine Fund?</p>	<p>Response/changes to the application material 3. Strategic partners are expected to be present in countries relevant for the SPA programme including adhering to the geographical requirement. The SPA does not define the eligibility criteria for the Ukraine Fund - it is advised to discuss Ukraine Fund matters with the EUNABO Department.</p>

6.7 Use of funds at headquarter level in Denmark	
1. 20% ceiling on HQ costs Is the 80/20 valid for each member in the consortium or for the consortium as a whole?	Response/changes to the application material 1. The requirement of maximum 20 pct. HQ costs applies to the consortium as a whole.
2. 20% ceiling on HQ costs It is not consistently clear whether percentage ceilings refer to the PPA (Programme Partnership Agreement) total or to the “main grant.” For example, the 20% ceiling on HQ costs: does this apply to the PPA total or to the main grant? The budget format calculates percentages based on the PPA total; however, this does not appear fully aligned with all references in the guidelines.	Response/changes to the application material 2. The 20 pct. ceiling of HQ costs is based on the SPA main grant.
6.10 Expenditures related to personnel	
1. Time registration of partners Please clarify requirements for time registration for local partners (Administrative Guidelines p30). It says ‘Local partners may be exempt from using a detailed time registration system’. What is the guidance for this exemption?	Response/changes to the application material 1. The remark is noted. The description in the guidelines will be rephrased to "Apply time registration through a detailed, digitalized time registration system. Local partners may apply a more simplified system of time sheets".
6.14 Geographical Requirements	
1. Geographical Requirements According to section 6.14 in the guidelines, programme funds must be specified at country level in order to count towards the geographical requirement. However, in both Annex 2 and Annex 3, the regional budgets are included as Africa, Eastern Europe and MENA in the compliance data. We suggest that consistency is ensured between the wording in the guidelines and the formulas in Annex 2 and 3.	Response/changes to the application material 1. The remark is noted. Regional activities may count towards the geographical requirement as long as the regional activities fall within the geographical requirement. The material has been updated accordingly.
9. Information and Public Engagement	
1. Information and Public Engagement (IPE) According to section 9 in the guidelines, it is required that “IPE-funded activities should be open to everyone” and that they “cannot be exclusive offers for a select few.” However, section 9 also mentions “sub-target groups” and we suggest that a clarification is made to the effect that Strategic Partners can spend IPE funds flexibly and in a targeted manner, e.g. organise	Response/changes to the application material 1. IPE-funded activities should be open to everyone, but strategic partners are allowed to primarily address specific target groups in accordance with agreed quantitative and qualitative targets.

<p>engagement activities for specific target groups (such as groups within the support base, apprentices, solidarity or business groups, policy-oriented engagements etc.), as long as the activities are in accordance with the quantitative and qualitative targets.</p>	
<p>10. Reporting on OECD-DAC policy markers</p>	
<p>10.2 Disability Marker</p>	
<p>1. Disability Marker We suggest to include a reference to the upcoming guidance from OECD/DAC on the marker related to inclusion and empowerment of persons with disabilities – and subsequently be updated with a link, when the handbook is finalized, expectedly end March.</p>	<p>Response/changes to the application material 1. The remark is noted. The guideline to report on the marker is to be developed.</p>
<p>11. Financial Mobilisation</p>	
<p>11.1 Eligibility and general conditions</p>	
<p>1. Include “humanitarian” equally to development.</p>	<p>Response/changes to the application material 1. The remark is noted. Humanitarian has been included across the section.</p>
<p>11.3 Concept note on innovative and blended finance</p>	
<p>1. Concept notes The level of detail requested for the mandatory blended finance concept note(s) outlined in section 11.3 appears to go beyond what would typically be expected at the strategic application stage of the SPA. The requested information corresponds to an advanced project design and transaction structuring, including detailed financial structuring, implementation arrangements, and risk assessments, which are typically developed only after country-level engagement, partner consultation, and feasibility analysis, and hence goes beyond the strategic level that characterises the SPA framework. We recognise the risks of engaging in innovative and blended finance models; however, suggests that concept note(s) should not be submitted with the application, but only when launching innovative or blended finance activities as per section 11.3, page 38 of the Guidelines. This will allow the strategic partner to engage its local partners from civil society and private sector including financial institutions in the development of the</p>	<p>Response/changes to the application material 1. The remark is noted. The material has been revised. It will be possible to submit a preliminary concept note. The concept note may 1) take shape as a preliminary concept note, covering broad and early considerations as well as 2) cover only a subset of the requirements set out in the SPA3 guidelines section 11.3. This approach entails the applicant submitting a developed/finalized concept note at a later stage, where the MFA will be able to provide a final approval.</p>

<p>concept note(s) at the relevant time. Thereby it will also be in line with MFA's and our ambitions on local leadership.</p>	
<p>2. Concept notes It is unclear whether these requirements apply to roles beyond that of Incubator, particularly the roles of educator, watchdog, knowledge partner and policy influencer (Box 5). We kindly request clarification on how Chapter 11 applies across the different roles described in Box 5, including which activities trigger the concept note requirement and whether distinct requirements apply depending on the role assumed.</p>	<p>Response/changes to the application material 2. The remark is noted. The material has been revised. It will be possible to submit a preliminary concept note. The concept note may 1) take shape as a preliminary concept note, covering broad and early considerations as well as 2) cover only a subset of the requirements set out in the SPA3 guidelines section 11.3. This approach entails the applicant submitting a developed/finalized concept note at a later stage, where the MFA will be able to provide a final approval. Depending on the different roles that applicants may have on the matter, they are expected to consider the requirements accordingly in their concept notes.</p>
<p>3. Inclusion of insurance and disaster risk finance A financial model specifying the characteristics of the activity, including where relevant: Activity type (e.g. loan, equity, guarantee, insurance) “A description of staff capacity at Strategic Partner level, contracted or through partnerships, including demonstrated expertise in disaster risk finance, development finance and impact investing....”</p>	<p>Response/changes to the application material 3. The remark is noted. The material has been updated accordingly.</p>
<p>4. Projects should be able to operate on purely commercial terms down the line We would like to draw attention to the information note on p. 39, first bullet point: “The [concept] note must explain how the project will eventually operate on purely commercial terms or how local markets will mature to support such activities and future subsidies.” The expectation that projects will eventually operate on purely commercial terms seems ambitious, particularly given the roles outlined for civil society actors on p. 14 — as facilitators, incubators, or policy influencers, and not as commercial actors. In addition, blended finance arrangements in fragile contexts or underdeveloped markets often continue to require a blended structure over time due to market failures or higher risk levels. We understand that this may be considered in the part— “how local</p>	<p>Response/changes to the application material 4. The MFA acknowledges the limitations mentioned in the response. The ambitions described in the material remains as is. These aspects should be covered in the applicants’ respective concept notes and the MFA encourages a dialogue on specific cases.</p>

<p>markets will mature to support such activities and future subsidies” — but would like to draw attention to this sentence in the materials to ensure that there is not an expectation that all projects should be able to operate on purely commercial terms down the line.</p>	
<p>11.5 Revolving funds and reflows</p>	
<p>1. Reporting Is it correctly understood that where activities take the form of revolving instruments, such as loans, equity or guarantees, - any SPA funds used should be reported as “Expenditure”? And any SPA funds not returned through repayments, exits or released risk provisions at the end of the SPA period should be reported as “expenditure”, even though, by nature, the funds (or part thereof) will be returned at a later stage?</p>	<p>Response/changes to the application material 1. The remark is noted. The guidelines under section 11.5 have been updated.</p>
<p>2. Reporting The reporting requirements of both “revolved funds and their use (...) as income originating from first use” creates confusion since the utilisation of funds does not constitute an income.</p>	<p>Response/changes to the application material 2. The remark is noted. The guidelines under section 11.5 have been updated.</p>
<p>Annex 2A</p>	
<p>1. Use of Middle East Guidelines, Annex 2A, 2B and 3A, 3B: “Middle East” and “MENA” seem to be used interchangeably, which can create confusion, particularly for countries such as Libya, since “MENA” generally refers to be the Middle East and North Africa.</p>	<p>Response/changes to the application material 1. The remark is noted. The material has been adjusted to include “Middle East”.</p>
<p>Annex 2E</p>	
<p>1. Inconsistency between guidelines and annex 2E It is positive to see the flexible funds remain as a modality. The SPA3 draft guidelines specify that the unallocated flexible funds may amount up to 30% (p. 25) of the main grant, whereas Annex 2E specifies that unallocated flexible funds may amount up to 25% of the main grant. This is inconsistent.</p>	<p>Response/changes to the application material 1. The remark is noted. Unallocated flexible funds may amount up to 30% of the SPA main grant. Annex 2E has been updated accordingly.</p>

Annex 3C	
<p>1. Added value Please clarify the added value of this requirement. It will require significant additional resources to report on the specific personnel costs within A.3, which are allocated as pooled costs with non-personnel costs (e.g. office rent).</p>	<p>Response/changes to the application material 1. The remark is noted. The purpose of introducing Annex 3C is to increase transparency regarding a strategic partner's budgeted and actual salary allocations across the direct cost categories.</p>
<p>2. Clarification In Annex 3C Personnel the Cost Categories have been specified with x e.g. A.1.a.x. Is this a mistake? The x is not reflected in Annex 2E. If not please clarify.</p>	<p>Response/changes to the application material 2. The remark is noted. The material remains as is. The x illustrates that the figure is the salary share under A.1.a, just as A.1.b.x is the salary share under A.1.b and A.3.a.x is the salary share under A.3.a.</p>
Annex 13	
<p>1. Subsidies Annex 13 requires partners to "minimize subsidies for private actors". However, in fragile settings, the risk-return profile often requires a high "subsidy" level. Debates over this have resulted in the current situation of limited private investment/blended finance in LMICs (< 12% of total blended finance, according to OECD). Can the MFA clarify its tolerance for high first-loss percentages if the alternative is no private investment?</p>	<p>Response/changes to the application material 1. The MFA will evaluate applicants' proposed initiatives as presented in the concept notes. It is not possible for the MFA - at this stage - to communicate a general threshold in terms of tolerance on this matter. The MFA urges applicants to elaborate (in concepts notes) on conditions such as no private investment alternatives, etc.</p>
<p>2. Include insurance in the description Financial structuring and minimum concessionally analysis [.....] "Instrument fluency will also be required for non-traditional instruments such as debt, guarantees, equity and insurance, and understand how they alter risk-return profiles" [...]</p>	<p>Response/changes to the application material 2. The remark is noted. The material has been updated accordingly.</p>
<p>3. Include a section on Risk Transfer, Risk Layering and Disaster Risk Financing It is suggested to include the following section: "6. Risk Transfer, Risk Layering and Disaster Risk Financing. Strategic partners engaging in disaster risk financing—including insurance and other risk transfer mechanisms—must possess or acquire the capacity to design risk-layered approaches that align public funding with private risk capital. This includes assessing risk exposure, defining appropriate coverage levels, and integrating</p>	<p>Response/changes to the application material 3. The remark is noted. The MFA will include a relevant section on this within the guidelines.</p>

<p>financial instruments with contingency planning and operational systems. Such engagement requires an understanding of how risk transfer instruments (e.g., parametric insurance, sovereign risk pools or contingency financing) complement grants and other concessional funding, and how they influence incentives, timing of response, and fiscal exposure. Strategic partners should demonstrate how these mechanisms strengthen financial preparedness and long-term system sustainability. Where technical functions are subcontracted, partners must retain sufficient capacity to supervise design choices and safeguard development integrity.”</p>	
<p>4. Fulfilment of requirements The innovative and blended finance modality appears geared towards larger and highly specialised organisations. If broader participation is desired, could capacity requirements be applied proportionally to the scale and complexity of the proposed intervention? Do all Annex 13 requirements apply in full to any concept note? E.g., would a limited microfinance guarantee-instrument also trigger capacity requirements related to equity management, even if not relevant to the proposed intervention?</p>	<p>Response/changes to the application material 4. The degree to which requirements in Annex 13 need to be completely fulfilled depends on the nature and scope of proposed activities in the concept note.</p>

Elaborated reply to audited accounts:

The design and planning of the annual audit of the SPA financial reporting – the audit of the SPA partner as well as the local partners to the SPA partner – follows an agreement between the SPA partner and the Danish SPA auditor.

Under this agreement – the audit assignment – the parties shall decide upon the requirements of the audit and the implications for the SPA partner as well as the local partners, thereby reaching an agreement on which audit tasks shall be carried out at “group level” and at local level.

The audit objective must be that the SPA auditor shall provide an opinion on the financial, performance and compliance audit; the audit tasks towards this objective, though, follows an agreement between the SPA partner and the auditor. Such an agreement will be a result of the SPA auditor weighing materiality and risk.

Most evidently, this is reflected in §3 of the audit instructions: “The scope of the audit depends on the Strategic Partner’s structure and practices...” as well as in the boxes providing examples of potential audit tasks for the financial, performance and compliance audit: “Procedures to be performed...**could** include:...”. In the case of small local partners, the relevant procedures relating to the compliance component to be included in the local audit could, for example, be to “assess compliance with applicable laws and regulations, with particular attention to legislation regarding accounting and taxation” or to “test, on a sample basis, that expenses and staff resources funded by grants through the MFA are not also funded from other sources.”

Similarly, relevant procedures relating to the performance component to be included in the local audit could, for example, be to ‘test on a sample basis compliance with established procedures for procurement of goods and services, for instance the number of quotations received’, along with controlling that the appropriate authorisation has been documented in connection with the procurement of goods and services. Testing ‘the quantity of items completed or delivered compared to the description of the activity’ could also be included.

It is relevant to note that micro-grants/small partners may be included in the audit of the grantor, provided that duly documented accounts (including copies of all relevant annexes) are received and included within the audit scope of the grantor audit.

Relevant procedures relating to the compliance component to be conducted by the Danish SPA auditor could, for example, be to “examine, assess, and report on compliance with the terms and conditions of the partnership guidelines”.

Important procedures related to performance component that will typically be covered by the Danish SPA auditor, would be reviewing business processes related to controls on monitoring reviews, including evaluation of progress compared to activity description and

managements review of benchmarks for completion. As mentioned above, the scope of the audit and choice of procedures to be performed at the different levels is designed considering materiality and risk.

If the response raises additional questions, strategic partners are encouraged to engage in a dialogue with the MFA on audit.